



ANNUAL ANNUITANT NEWSLETTER

2009



DEPARTMENT OF STATE

ANNUAL ANNUITANT NEWSLETTER

2009



United States Department of State
Bureau of Human Resources
Office of Retirement
Room H-620, SA-1
Washington, D.C. 20522

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1. FEDERAL HEALTH BENEFITS OPEN SEASON ENDS DECEMBER 31

The following information concerns annuitants with current Federal health benefits coverage. If you do not have Federal health benefits coverage please disregard this information. The 2009 Federal Benefits Open Season will be held from November 10 through December 31, 2009. If you are satisfied with your current coverage and you wish to continue it through 2010, you do not need to do anything further at this time.

A number of plans are leaving the Federal Employees Health Benefits (FEHB) program at the end of 2009 or reducing their service areas. Annuitants enrolled in these terminating plans and service area reductions must enroll in new plans during Open Season if they wish to continue health insurance coverage in 2010. Fourteen health plans will no longer participate in the FEHB program after 2009. Also, eighteen plans will reduce their service areas by terminating an enrollment code effective December 31, 2009. Their enrollees will have to select a new plan during Open Season.

Enrollees will know whether their plan has been terminated from two sources. First, the Retirement Accounts Division in Charleston will notify participating Foreign Service annuitants of plan terminations. Second, all terminating plans are required to mail a notice to their members advising them of their decision to withdraw from the program.

We have enclosed the *2010 Guide to Federal Employees Health Benefits Plans for Federal Retirees and Their Survivors* with this mailing. Open season guides and plan brochures are available on OPM's website, <http://www.opm.gov/insure/health>. These guides provide general information about changing your enrollment. They also summarize and compare the benefits of all plans in the FEHB Program. They explain the adjustment in the premiums, if any. Please contact the plans directly at the telephone number listed in the *2010 Guide to Federal Employees Health Benefits Plans for Federal Retirees and Their Survivors* if you have any questions.

If you decide to change your enrollment, you must submit your completed Health Benefits Registration Form SF-2809 (see next page) by December 31, 2009, to the HR Service Center at:

Human Resources Service Center (HRSC)

Phone/Fax/E-mail:

1-866-300-7419 (Toll free)
1-843-308-5539 (Outside the U.S.)
1-843-202-3807 (Fax)
HRSC@state.gov (E-mail)

Mailing address:

United States Department of State
HR Service Center ■ Annuitant Services
1269 Holland Street
Charleston, SC 29405

(Note: If you are changing your FEDVIP provider, the change must be submitted by December 14, 2009.)



Federal Employees
Health Benefits Program

Form Approved:
OMB No. 3206-0160

Health Benefits Election Form

Part A - Enrollee and Family Member Information (For additional family members use a separate sheet and attach.)

1. Enrollee name (last, first, middle initial)	2. Social Security number	3. Date of birth	4. Sex <input type="checkbox"/> M <input type="checkbox"/> F	5. Are you married? <input type="checkbox"/> Yes <input type="checkbox"/> No
6. Home mailing address (including ZIP Code)		7. Medicare (See note - page 2) <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> D	8. TRICARE <input type="checkbox"/>	9. Other insurance <input type="checkbox"/>
		10. Name of insurance		11. Insurance policy no.
12. Name of family member (last, first, middle initial)	13. Social Security number	14. Date of birth	15. Sex <input type="checkbox"/> M <input type="checkbox"/> F	16. Relationship code
17. Address (if different from enrollee)		18. Medicare (See note - page 2) <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> D	19. TRICARE <input type="checkbox"/>	20. Other insurance <input type="checkbox"/>
		21. Name of insurance		22. Insurance policy no.
Name of family member (last, first, middle initial)	Social Security number	Date of birth	Sex <input type="checkbox"/> M <input type="checkbox"/> F	Relationship code
Address (if different from enrollee)		Medicare (See note - page 2) <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> D	TRICARE <input type="checkbox"/>	Other insurance <input type="checkbox"/>
		Name of insurance		Insurance policy no.
Name of family member (last, first, middle initial)	Social Security number	Date of birth	Sex <input type="checkbox"/> M <input type="checkbox"/> F	Relationship code
Address (if different from enrollee)		Medicare (See note - page 2) <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> D	TRICARE <input type="checkbox"/>	Other insurance <input type="checkbox"/>
		Name of insurance		Insurance policy no.
Name of family member (last, first, middle initial)	Social Security number	Date of birth	Sex <input type="checkbox"/> M <input type="checkbox"/> F	Relationship code
Address (if different from enrollee)		Medicare (See note - page 2) <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> D	TRICARE <input type="checkbox"/>	Other insurance <input type="checkbox"/>
		Name of insurance		Insurance policy no.

Part B - Present Plan

1. Plan name	2. Enrollment code
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Part C - New Plan

1. Plan name	2. Enrollment code
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Part D - Event Code

1. Event code 2A	2. Date of event 11/09/2009
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Part E - Employees Only (Election NOT to Enroll)

☐ I do NOT want to enroll in the FEHB Program.
My signature in Part H certifies that I have read and understand the information on page 3 regarding this election.

Part F - Cancellation

☐ I CANCEL my enrollment.
My signature in Part H certifies that I have read and understand the information on page 3 regarding cancellation of enrollment.

Part G - Suspension (Annuitants/Former Spouses Only)

☐ I SUSPEND my enrollment.
My signature in Part H certifies that I have read and understand the information on page 4 regarding suspension of enrollment.

Part H - Signature

WARNING: Any intentionally false statement in this application or willful misrepresentation relative thereto is a violation of the law punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years, or both. (18 U.S.C. 1001.)

1. Your signature (do not print)	2. Date (mm/dd/yyyy)	3. Daytime telephone number
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Part I - To be completed by agency or retirement system

REMARKS

1. Date received	2. Effective date of action 01/01/2010	3. Personnel telephone number (866) 300-7419	4. Name and address of agency or retirement system US Department of State
5. Authorizing official (please print) Anne Thompson	6. Signature of authorized agency official		HR Service Center, 1269 Holland Street
7. Payroll office number 19-00-0001	8. Payroll office contact (please print) Elsie Mann	9. Payroll telephone number (800) 521-2553	Charleston, SC 29405

2. KNOW THE LIMITS ON REEMPLOYMENT OF ANNUITANTS

If an FSRDS/FSPS annuitant is reemployed under a full-time Civil Service, Legislative or Judicial Branch appointment, or a Presidential appointment (other than a part-time, intermittent or time-limited appointment as defined below), payment of the employee's annuity terminates. At the conclusion of the appointment, payment of the annuity resumes, together with intervening cost of living adjustments (COLAs) applicable during the period of reemployment. Employment in a private company or on a personal services contract (PSC) does not trigger suspension of one's FSPS or FSRDS annuity.

Any Federal Department, Agency or Branch of Government (including the Legislative and Judicial Branches) That reemploys an FSRDS or FSPS annuitant, must notify the State Department at: U.S. Department of State, HR Service Center, Annuitant Services, 1269 Holland Street, Charleston, SC, 29405. Fax: 1-843-202-3807. The employing agency must send the HR Service Center a copy of Notification of Personnel Action (SF 50) and take other appropriate actions, as directed by Office of Retirement, including a salary reduction.

Cap on Part-time, Temporary and Intermittent Appointments

In any calendar year, the sum of the employee's annuity and salary cannot exceed his/her salary at the time of retirement (not adjusted for inflation), or the full-time salary of the position in which s/he is reemployed, whichever is higher. Payment of the Foreign Service annuity may be continued, subject to the cap on total compensation and the limit of 1,040 hours an annuitant may work when reemployed in Federal service on a part-time, temporary or intermittent basis.

- An intermittent, When Actually Employed (WAE), appointment is an appointment without a regularly scheduled tour of duty.
- An appointment is considered part-time when the regular tour of duty is less than a full-time appointment of 40 hours per week.
- A temporary appointment is an appointment that is less than permanent, or career, in nature, usually for a period not in excess of one year, although some temporary appointments may exceed one year.

What's in the Cap

Compensation for this purpose includes annuity payments to a former spouse entitled to benefits under the provisions of the Foreign Service Act. Annuity payments to the retiree and the former spouse are included unless those payments were scheduled for receipt in a prior or subsequent year. Salary paid before retirement is NOT included in the cap.

Any annuity payment received, including FSPS annuity supplements, within a particular calendar year is considered income for purposes of the limit on total compensation. The annuity supplement is an integral part of your annuity and must be included in calculating how much you can earn when employed on a WAE basis before you exceed your salary/annuity cap. Locality pay is not factored into this computation unless actually received for a domestic assignment. Danger pay for foreign assignments and awards are also excluded from the cap.

If you are reemployed on a WAE basis, and you do not abide by the limits on total compensation and the number of hours you may work, your annuity may be suspended. You can send a request for information on the limit on your WAE earnings to the Retirement Accounts Division (RAD) in Charleston via e-mail to PayHelp@state.gov. RAD will send you an audit report that lists your salary at retirement, your reemployment salary, and the amount you can earn each tax year. If you exceed the limit, the excess payment may be deducted from your annuity payments.

You can access your WAE earnings and leave statements through Employee Express at <http://www.employeeexpress.gov> on the internet. The process is the same one you used to access your earnings and leave statements before you retired. You must enter your Social Security number and a password to access your privacy protected information. Please note that when you are asked to select your agency you should select "Department of State."

3. FSPS ANNUITY SUPPLEMENTS ARE AFFECTED BY EARNINGS

The Foreign Service Pension System (FSPS) annuity supplement is a benefit paid until age 62 to certain FSPS annuitants who retired before age 62 and were entitled to an immediate annuity [i.e., other than those who retired at their Minimum Retirement Age (MRA) with at least 10 years of service]. The annuity supplement is subject to an earnings test similar to the one applied to Social Security benefits.

If you retired before you reached your MRA you do not need to report your earnings. You will continue to receive the annuity supplement until you reach your MRA regardless of your earnings. (See Form DS 5026 to determine your MRA.)

If you were eligible for an annuity supplement at retirement, please read the information below and complete form DS 5026, which follows. If you have any questions about your FSPS annuity supplement, please contact the HR Service Center:

Human Resources Service Center (HRSC)

Phone/Fax/E-mail:

1-866-300-7419 (Toll free)
1-843-308-5539 (Outside the U.S.)
1-843-202-3807 (Fax)
HRSC@state.gov (E-mail)

Mailing address:

United States Department of State
HR Service Center ■ Annuitant Services
1269 Holland Street
Charleston, SC 29405

Eligibility and Earnings Test

Payment of the annuity supplement ends at age 62. It ends before age 62 when a retiree's outside earnings reach a level that would bar payment of a Social Security benefit. In general, if a retiree has earnings "from wages or self-employment" that exceed \$14,160 after retirement in calendar year 2009, the annuity supplement will be reduced or eliminated.

Income for the purpose of the earnings test includes earnings after your date of retirement derived from employment in the public or private sector, including WAE appointments, income from personal services contracts, etc. Income for this purpose does not include salary earned before retirement, annuity benefits, Social Security or unearned (investment) income. For self-employment, reportable income is net income.

Reductions and Termination

A reduction in, or termination of, the supplement is based on excess earnings in the previous year. If it is determined that your supplement must be reduced or terminated, any supplement amounts that are paid for the period after December 31, 2009, must be repaid to the Foreign Service Retirement and Disability Fund.

The annuity supplement stops at the end of the month prior to your 62nd birthday, whether or not you are entitled to, or apply for, Social Security benefits at that time. The completed DS-5026 should be sent to the HR Service Center at the address or fax number on the form. If the DS-5026 is not received by the HR Service Center by Friday, January 8, 2010, to establish continuing eligibility based on earned income, HR must assume that you are no longer eligible to receive the supplement and must terminate payment.

FORM DS 5026

Statement of Entitlement to FSPS Annuity Supplement

2008 Calendar Year Income

Full Name of Annuitant (<i>Last, First, Middle</i>)	Social Security Number
Personal E-Mail Address	Date of Birth
Address	Telephone Number

Please complete the following:

My 2008 Calendar Year earnings* were _____.

Signature

Date

** Reflects income from 2009 wages or self-employment after date of retirement on a calendar year basis. (Report income from the date you reached your Minimum Retirement Age to December 31, 2009.) Income for this purpose includes earnings after your date of retirement derived from employment in the public or private sector, including WAE appointments, income from Personal Services Contracts, etc. Income for this purpose does not include salary earned before retirement, annuity benefits, Social Security or unearned (investment) income. If you did not have any wage or self-employment income during 2009, write "none" on the blank line.*

See chart below to determine your MRA.

MINIMUM RETIREMENT AGE			
If you were born...	Your MRA is...	If you were born...	Your MRA is...
Before 1948	55	In 1965	56 and 2 months
In 1948	55 and 2 months	In 1966	56 and 4 months
In 1949	55 and 4 months	In 1967	56 and 6 months
In 1950	55 and 6 months	In 1968	56 and 8 months
In 1951	55 and 8 months	In 1969	56 and 10 months
In 1952	55 and 10 months	In 1970 and after	57
In 1953 thru 1964	56		

Return this completed form to:

United States Department of State
 HR Service Center, Annuitant Services
 1269 Holland Street
 Charleston, SC, 29405.

You may also e-mail the completed, signed form to HRSC@state.gov or send by fax to 1-843-202-3807. If you have any questions, please contact the HR Service Center at 1-866-300-7419 (toll free) or via e-mail to HRSC@State.gov. If you do not respond to the questionnaire by the 8th of January, your FSPS Annuity Supplement will be terminated beginning with the payment you will receive on the first business day of the month in February.

4. IMPORTANT ADVICE FOR FOREIGN SERVICE ANNUITANTS

REVIEW YOUR DESIGNATION-OF-BENEFICIARY FORMS

A common error is thinking that the FEGLI life insurance “Designation of Beneficiary” form covers everything. This is not the case! Every retiree may complete up to three “Designation of Beneficiary” forms for: lump sum retirement payments, life insurance benefits, and the Thrift Savings Plan (TSP).

Three forms—SF-2808, SF-3102, and DS-5002—are “Designation of Beneficiary” forms for retirees. Using these forms, annuitants can name heirs to receive unpaid annuity/lump sum/benefits which may become payable from the Civil Service or Foreign Service retirement systems.

In general, a retiree who has declined to elect a survivor benefit for a spouse at retirement, or who has declined to elect the maximum survivor annuity for a spouse at retirement may, within 18 months of retirement, elect a survivor benefit or increase the earlier election to one of a maximum survivor benefit. There is, however, a substantial increase in the initial cost of a survivor election under this provision.

If an employee fails to execute a “Designation of Beneficiary” form, the law provides for automatic payment of benefits by order of precedence: (1) if there is no beneficiary, to the surviving spouse, (2) if none of the above, to the child or children, (3) if none of the above, to the parents in equal shares or the entire amount to the surviving parent, (4) if none of the above, to the duly appointed executor or administrator of the estate, and (5) if none of the above, to such other next of kin.

The advantage of completing a “Designation of Beneficiary” form, besides the ability to designate a specific individual, is that benefits can usually be adjudicated more quickly as there is no question of entitlement. “Designation of Beneficiary” forms may have to be updated as potential heirs are born and named heirs pass away.

Retirees are reminded to keep “Designation of Beneficiary” forms current and to retain a copy of the current designations that have been signed and dated by the personnel office. If you do not remember who you designated as your beneficiary, you should execute a new form. The most recent designation governs. These forms should be kept with your important papers and should be part of your estate planning.

REPORT DEATHS OF ANNUITANTS IMMEDIATELY

Have you ever wondered how much trouble your survivors will have in accessing benefits under the Foreign Service Retirement System (FSRDS) or Foreign Service Pension System (FSPS)? If you are insured under the Federal Employees’ Life Insurance Program (FEGLI), do you know how your beneficiaries would collect on this insurance? Also, what about Federal Employees Health Benefits (FEHB) coverage for your survivor(s)?

You can help your loved ones by providing them with a copy of this information and retaining this document with your insurance policies, retirement documents, and other important papers. By doing this, you will be providing an invaluable service to your survivors or your executor/personal representative who will handle your estate.

- **In the event of the death of an annuitant or survivor, please notify:**

Human Resources Service Center (HRSC)

Phone/Fax/E-mail:

1-866-300-7419 (Toll free)
 1-843-308-5539 (Outside the U.S.)
 1-843-202-3807 (Fax)
 HRSC@state.gov (E-mail)

Mailing address:

United States Department of State
 HR Service Center ■ Annuitant Services
 1269 Holland Street
 Charleston, SC 29405

We cannot accept a collect telephone call; please use our toll free number or, if the Customer Service Representative is provided with the full name of the deceased annuitant, the name of the caller and the telephone number with the area/country code, the call will be returned promptly. Notifying the HR Service Center immediately of the death of the annuitant enables the Office of Retirement to begin assisting the persons entitled to survivor benefits. The letter or telephone notification should include the full name of the deceased annuitant, date of birth, exact date of death, address, Social Security number, and relationship of the person who may be entitled to survivor benefits.

On receipt of this information, the records of the deceased annuitant will be examined and an application will be sent to the persons entitled to benefits. Information will be provided on benefits from the Foreign Service Retirement Systems (FSRDS or FSPS), Federal Employees Group Life Insurance (FEGLI), and the Federal Employees Health Benefits Program (FEHB).

- **Return any uncashed annuity checks (if there is no surviving spouse) to:**

Retirement Accounts Division, Department of State,
 P.O. Box 150008
 Charleston, SC 29415-5008
 (Telephone: 800-521-2553)

Payments issued via EFT to the annuitant past the date of death will be recalled electronically and returned to The Department. The full payment will be returned and any accrued annuity due to the annuitant on the date of death will be included in the benefits to the otherwise eligible survivor annuitants.

- **Complete and return the application for death benefits form**, which will be sent to the survivor/executor/personal representative as soon as HR learns of the death of a Foreign Service annuitant. The application form must be properly completed and returned to the HR Service Center. The HR Service Center will coordinate with the Office of Retirement to ensure that appropriate action is taken.
- **Obtain several certified copies of the annuitant's death certificate and transmit one with the application for death benefits.** Other copies will be required for the FEGLI coverage, each private insurance coverage policy, and any other claims submitted by the survivor, executor, or personal representative.

The death certificate provides positive proof of the exact date of death. If other evidence is needed, it will be specifically requested. (This may include copies of marriage certificates, birth certificates, divorce decrees, death certificates of deceased children or spouses, court orders for change in name, or other documents which establish identity or relationship.)

- **File a Claim with Federal Employee Group Life Insurance (FEGLI).** If the deceased annuitant had life insurance coverage under FEGLI, HR/RET will certify the date of death to the Office of Personnel Management (OPM), administrator of this life insurance program. OPM in turn will send the appropriate

instructions and claim forms to the designated beneficiary (or beneficiaries) on record in the annuitant's official insurance file.

If the survivor has not received the letter of instruction and the claim forms within five weeks of the date of death of the annuitant, he/she should write directly to the Office of Personnel Management, Attention: CSI/LI/Roll Maintenance, Employee Service and Records Center, P.O. Box 45, Boyers, PA 16017.

Please include the full name of the annuitant, the exact date of birth, the name of the retirement system (Foreign Service Retirement & Disability System or Foreign Service Pension System), and the annuitant's identification number which is prefaced by the letters CSI-. This number can be found on the insurance certification document sent by OPM to the annuitant after retirement, and in HR/RET's letter of instructions.

- **Continue Federal Employee Health Benefits (FEHB) Coverage.** Eligible survivors may continue the deceased annuitant's FEHB health insurance coverage provided that:
 - the annuitant was enrolled under self and family coverage at the time of death; and
 - at least one family member is entitled to an annuity.

REPORT CHANGES IN MARITAL STATUS

All annuitants (retirees and survivors) are asked to keep the Department informed of changes in marital status (death of spouse, divorce, marriage/remarriage) by submitting any changes to the HR Service Center. Delays in reporting these changes may defer or prevent important adjustments in benefits, such as:

- Spouses who divorce may be entitled to continuation of health insurance coverage through the FEHB Program.
- A retired annuitant who had elected a survivor annuity for a spouse and whose marriage terminates by death or divorce, may be entitled to an increase in annuity, effective the first of the month after the one in which the marriage terminated. If the marriage was terminated by divorce, the former spouse may qualify for part of the annuity and/or survivor benefits.
- An annuitant under the Foreign Service Retirement and Disability System, the "old" retirement system, who marries after retirement and who had not declined to elect a survivor benefit for a spouse at retirement, may elect a survivor annuity for a spouse married after retirement, provided the election is made within one year of marriage. The election of a survivor annuity is effective after nine months of marriage, but the reduction in the retiree's annuity is effective after one year of marriage.
- An annuitant under the Foreign Service Pension System, the "new" retirement system, who marries after retirement may elect a survivor annuity for a spouse married after retirement, provided the election is made within two years of marriage. The election of a survivor annuity is effective after nine months of marriage, but the reduction in the retiree's annuity is retroactive to the commencing date of the annuity, or the last date a reduction was in effect for a prior spouse.
- Interest on any retroactive reductions is also charged. The retroactive amount is to be paid by a monthly deduction from the employee's annuity.
- Surviving children who are receiving annuity benefits lose their eligibility for annuity benefits upon marriage.

- Loss of annuity entitlement due to remarriage may also affect eligibility for continuation of insurance coverage.

UNDERSTAND THE TAX-FREE PORTION OF YOUR ANNUITY

Your income tax liability is your individual responsibility. If you have any questions, you should consult a tax advisor, or the Internal Revenue Service, not the Office of Retirement. The following information from IRS publications is provided as general information only.

- **Income tax liability** – If you are retired from the federal government, or if you are the survivor or beneficiary of a federal employee or retiree who died, you must pay federal income tax on your benefits except for the portion attributable to the mandatory contributions made to your retirement system, known as the tax-free portion.
- **Tax-free portion** – To calculate the tax-free portion of either your Foreign Service or Civil Service annuity, you can use the worksheet included in IRS Form 1040 or the worksheet in IRS publication #721, “*Tax Guide to US Civil Service Retirement Benefits.*” You will need to refer to your “contribution letter,” which is prepared by the Retirement Accounts Division, for the total amount you contributed to the FSRDS or the FSPS throughout your career.
- The Retirement Accounts Division mails new Foreign Service retirees a retirement contribution letter no later than January 31 of the year following their retirement. Annuitants should retain this important document in their personal records because the entire amount of contributions made over the span of one’s career cannot be recovered in a single tax-year
- If you do not receive a letter from the Retirement Accounts Division with the amount of your mandatory retirement contributions by February 15 of the year following your retirement, you should contact the Retirement Accounts Division at PayHelp@state.gov; or call the Payroll Customer Support Center toll-free on 1-800-521-2553, Monday through Friday, 8:30am to 4:30pm.
- **Alternatively**, there is a tax-free calculator on the Office of Personnel Management website http://apps.opm.gov/tax_calc/index.cfm. You may use the OPM calculator to determine the tax-free portion of either Foreign Service or Civil Service annuities.
- Once you have calculated the tax-free portion of your monthly annuity, that amount stays the same until you have deducted the full amount you have contributed to the retirement system, *unless* a life event, such as death or divorce, changes your provision for a survivor annuity. The amount you can deduct the first year you are retired will be prorated according to the number of months you are in retirement status.
- **Withholding taxes** – Your annuity is subject to federal income tax withholding, unless you choose not to have taxes withheld. If you choose not to have tax withheld, or if you do not have enough tax withheld, you may have to make estimated tax payments. You may also owe a penalty if your withholdings and estimated tax payments do not cover 90 percent of the tax shown on your return.
- **1099-R** – Federal annuitants will receive a 1099-R by mail every year, normally by January 31. This document contains information on the total amount of annuity payments that you received during the preceding tax year and the amount that was withheld for taxes.
- After January 31, Foreign Service annuitants can obtain a copy of their 1099-R through www.EmployeeExpress.gov. Civil Service annuitants can obtain a copy of their 1099-R through OPM’s website at <https://www.servicesonline.opm.gov/>. Annuitants need a personal identification number and or password issued by OPM to access these websites.

- *FS Disability retirement* – Employees who joined the Foreign Service **prior to September 25, 1975**, and who retire on disability are not subject to Federal income tax. Employees who joined *after* that date are subject to the same taxation rules as other annuitants.
- *Lump sum payments* – A lump sum payment for unused annual leave is treated as a salary payment. It is taxable as wages in the tax year during which you receive it. Withholding tax will be deducted from your lump sum payment. Any questions regarding calculation and when to expect payment should be directed to the payroll office at **PayHelp@state.gov**.
- *Refunds* – If you leave Federal service and are not eligible for an immediate annuity you can choose to receive a refund of the money in your retirement account. The refund will include both regular contributions and interest. The portion of the refund that consists of contributions is not taxable, but interest earned on contributions is taxable.
- *Interest on contributions* – A refund of “excess” contributions made after completing the maximum creditable length of service is taxable in the tax year it is distributed unless you roll it over to a traditional IRA or another qualified retirement plan. Contributions to your retirement system are not the same as contributions to the Thrift Savings Plan.
- *Thrift Savings Plan* – All of the money in your Thrift Savings Plan (TSP) account is taxed as ordinary income when you withdraw it, since neither the contributions to your TSP account nor earnings have been included previously in your taxable income. How much and how often you choose to withdraw from your TSP account balance determines when you must pay income taxes on your withdrawals. For more information go to **www.tsp.gov**.

APPLY FOR A NEW RETIREE ID CARD

If you have frequent business with the Department of State in Washington, we advise you to get a retiree ID card. DS now issues all retiree ID cards. A retiree ID card, exclusive of any other form of identification, can be used to obtain a retiree visitor pass to the Harry S. Truman building and SA-1 (Columbia Plaza);

- The retiree visitor pass provides a retiree with limited, unescorted access to HST’s Foggy Bottom Café and 1st floor service areas, as well as the 3rd floor library during normal business hours, Monday through Friday, except holidays;
- The same privileges apply at HR/RET’s offices, the medical suites and service areas in SA-1 (Columbia Plaza).
- Retirees can continue to sign in their legal spouse and or dependants. User instructions are printed on the back of the pass.

Retirees who have in their possession an HR/RET-issued retiree ID card may go directly to the DSIS Office in HST, Room B-237 to complete Form DS-1838, at which time their application will be processed and they will be issued the new retiree ID card.

Retirees without an HR/RET-issued retiree ID card must complete Form DS-1838 at the Office of Retirement (HR/RET), 2401 E Street NW, Room H-620, SA-1, Columbia Plaza, Washington, D.C. 20522. A retirement counselor in HR/RET must sign off on the form to certify your status as a retiree. Then, you must take the DS-1838 to the DSIS office in HST Room B-237, your application will be processed and you will be issued the new retiree ID card. Retirees must provide two forms of identification to the DSIS officer [Note: Identification typically includes a valid (not expired) Department of State Personal ID Card, a state driver’s license and/or U.S. Passport.] The ID card will be issued with an expiration date of five years. If you are not able to get one of the new retiree ID cards, your HR/RET-issued retiree ID card is valid indefinitely.

CHANGE YOUR ADDRESS AND MORE ONLINE USING ANNUITANT EXPRESS

Using Annuitant Express you can make changes to:

- Direct Deposit arrangements
- Voluntary Allotments
- Federal Withholdings tax
- State Withholdings tax
- Home Address
- Login ID and Passwords

Annuitants should go to: www.employeeexpress.gov There is also a link to this site on the home page of RNet, www.RNet.state.gov. Once on the Employee Express page, follow these steps:

- Enter your Social Security number or the user ID you have created to replace it. Your password must be between 8 and 12 characters, upper and lower case letters, numbers and a special character such as !@#%&^&*+=?_[]{}. The additional criteria that must be met can be found on the Employee Express website. Protect your password privacy.
 - If you forgot your password, go to the login screen of www.employeeexpress.gov and click on “Forgot login ID or password?” Follow the prompts to request a new password by mail from OPM.
- Your mailing address must match the address on record with the Retirement Accounts Division (PayHelp@state.gov.) OPM cannot send a password to you via e-mail.
- You must select “Foreign Service Annuitants,” not “Department of State” or any other Foreign Affairs agency, to access and make changes to your Annuity Statements.

WAE’s should select “Department of State” to access and make changes to Earnings & Leave Statements. WAE’s may request a password be sent via e-mail if they have an e-mail address ending in “.gov”. This password allows access to your Earnings & Leave Statements, but not your monthly Annuity Statements.

Technical Assistance

Online Help information is always available when using Annuitant Employee Express. If you need technical assistance, you may contact the Employee Express Help Desk at 478-757-3030. From home, you may contact the Help Desk toll-free at 888-353-9450. **Help Desk business hours are Monday through Friday 7:00 a.m. to 7:00 p.m. Eastern Time.** During non-business hours, you may leave a message and a Help Desk representative will return your call within one business day (Monday-Friday).

You may also contact the Help Desk by sending a detailed email message to EEXHelp@opm.gov with the following information:

- **Your name: last, first, middle**
- **The name of your agency affiliation, i.e., Foreign Service Annuitant, not State Department**
- **Your daytime phone number**
- **A detailed description of your problem**

- For security reasons, **DO NOT** include your Social Security Number (SSN) or Personal Identification Number (PIN) in your message.

Hearing impaired annuitants may access the TDD by calling 478-757-3117 or 1-888-880-0412. Visually impaired annuitants can access the Employee Express telephone system using their agency's designated telephone number.

5. FEDERAL EMPLOYEE INSURANCE BENEFITS

TEMPORARY CONTINUATION OF HEALTH COVERAGE (TCC)

Effective January 1, 1990, certain individuals who lose eligibility to participate in the FEHB program become eligible to continue their FEHB coverage on a temporary basis. This law applies to children of FEHB enrollees who lose their coverage for reasons such as reaching age 22, and certain former spouses who would not otherwise be eligible to continue FEHB enrollment.

To acquire coverage, one must elect coverage within sixty days of the event which causes the loss of coverage (i.e., divorce or a child's 22nd birthday). The premium for those who acquire temporary FEHB coverage will be higher than the regular premium for FEHB enrollments, because it will include both the employee's and government's share of the cost of the enrollment.

For more information about temporary coverage, please consult our website, [**www.RNet.state.gov**](http://www.RNet.state.gov). You will find the form you must complete to apply, SF 2802, with instructions under "Forms." See FEHB Temporary Continuation of Coverage.

FEDERAL EMPLOYEE DENTAL AND VISION PROGRAM (FEDVIP)

The Federal Employees Dental and Vision Insurance Program (FEDVIP) is available to Federal employees eligible for the FEHB program and annuitants, regardless of FEHB status. Eligible individuals will be able to enroll during the upcoming **open season, November 9 through December 14, 2009**, and during subsequent annual open seasons, or after a qualifying life event that permits enrollment outside of open season. Enrollment continues automatically from year to year, including when enrollees retire. Unlike FEHB, there is no five-year requirement to continue coverage into retirement.

The Office of Personnel Management has contracted with several domestic insurance carriers to make supplemental dental and vision benefits available to Federal employees and annuitants. There are four nationwide and three regional dental carriers from which to choose. Most plans will pay 100 percent with no deductible for preventive care (Class A). The co-insurance (cost-share) varies for the other three classes—intermediate, major and orthodontic. Additionally, three vision plans are available. This year two FEDVIP plans changed their names and one dental plan expanded its service area.

The premiums vary by plan and by enrollment type (Self, Self + One, and Self and Family). More information is available on the website of the Office of Personnel Management at <http://www.opm.gov/insure/dental/chooseindex.asp>. Remember, you cannot enroll in FEDVIP or make changes or cancel your enrollment using an SF 2809. You must enroll, change or cancel your enrollment using the website, [**www.BENEFEDS.com**](http://www.BENEFEDS.com) or by calling 1-877-888-3337. Phone hours are 9:00 am to 7:00 pm Eastern time Monday to Friday.

LONG-TERM CARE INSURANCE FOR FEDERAL ANNUITANTS

Long-term care (LTC) insurance pays benefits to cover services that individuals may need if they are unable to care for themselves, because of an extended illness or injury, or due to an age-related disease, such as Alzheimer's. LTC insurance can provide broad, flexible benefits for nursing home care, care in an assisted living facility, in-home care, adult day care, hospice care, and more.

Further information, including on current premiums, can be obtained by accessing the Office of Personnel Management's website, www.opm.gov/insure/ltc. To speak to a certified long-term care insurance specialist, call: 1-800-LTC-FEDS/1-800-582-3337, TDD: 1-800-843-3557, 8:00 a.m. – 6:00 p.m., Eastern Time.

FEDERAL EMPLOYEES GROUP LIFE INSURANCE (FEGLI)

The following information concerns annuitants with existing FEGLI coverage. If you do not have FEGLI coverage, please disregard this information. For more information on FEGLI, call 1-888-767-6738.

If you were eligible to continue your enrollment in the FEGLI program when you retired, you may have selected basic coverage or basic coverage plus additional coverage under options A, B or C. (The basic insurance amount — BIA — is the amount of your salary on the date you retired, rounded up to the nearest \$1,000, plus \$2,000.)

After you retire, your BIA does not change until you reach age 65. **Once you retire you cannot increase your coverage, but you can reduce it.** This assumes that you have not assigned, i.e., transferred ownership of your life insurance, to another party. In that case, you cannot make any changes in your coverage.

If you cancel your basic insurance (BIA) coverage, you will cancel all of your coverage. You must continue basic coverage to continue optional insurance coverage.

When you retired, you had three options:

- **Option A** adds \$10,000 to your BIA.
- **Option B** adds up to five multiples of your salary on the date you retired rounded up to the higher thousand dollars.
- **Option C** adds additional coverage only for family members. You could have purchased up to five multiples of \$5,000, up to a maximum of \$25,000, for your spouse, and up to five multiples of \$2,500 up to a maximum of \$12,500 for each child. You must have had basic coverage to purchase Option C.

If you do not know what type of coverage you have selected, you will find it indicated on your monthly annuity statement. Alternatively, you can send your query to the mailbox of the HR Service Center, HRSC@state.gov, and we will look up your life insurance coverage.

Reducing Your Life Insurance Coverage after Age 65

The amount you pay for life insurance depends on your age, any additional options you selected and the rate at which your coverage is reduced, once you reach age 65. You selected one of the following reduction plans when you retired: *to reduce your basic coverage the month after the month you reach age 65 by (1) 75 percent, or (2) 50 percent or (3), you selected no reduction.*

Option A: The amount of Option A coverage starts to reduce automatically to a face value of \$2,500 when you reach age 65. You do not have to make an election.

Annuitants who have Option B or Option C coverage are reminded they have the following options to retain

or reduce their coverage after they turn 65. **If you want to make an election to reduce your Option B and Option C coverage, you must return the completed SF 2818 (use the form on the next page) to the HR Service Center by the end of the month after the month in which you reach age 65.**

Option B (multiples): You may elect *No Reduction* or *Full Reduction* for your Option B coverage. If you have more than one multiple of Option B, you may elect No Reduction for some multiples and Full Reduction for the remaining multiples. No Reduction means premiums will continue for your lifetime (although premium rates may change in the future) and the value will never reduce (unless you change your election).

You may change a No Reduction election to Full Reduction at any time. Full Reduction means premiums will end and the value will reduce by two percent of its original value for 50 months, beginning the second month after you reach age 65, until it reaches zero. You cannot change Full Reduction to No Reduction after reductions begin.

Option C (family): If you retired after April 24, 1999, you may elect *No Reduction* or *Full Reduction* for your Option C coverage. If you have more than one multiple of Option C, you may elect No Reduction for some multiples and Full Reduction for the remaining multiples. No Reduction means premiums will continue for life (although premium rates may change in the future) and the value will never reduce (unless you change your election). Full Reduction means premiums will end and the value will reduce by two percent of its original value for 50 months, beginning the second month after you reach age 65, until it reaches zero.

You may change a No Reduction election to Full Reduction at any time, but you cannot change Full Reduction to No Reduction after reductions begin. **Please submit the completed SF 2818 (see next page) to the HR Service Center at:**

Human Resources Service Center (HRSC)

Phone/Fax/E-mail:

1-866-300-7419 (Toll free)
1-843-308-5539 (Outside the U.S.)
1-843-202-3807 (Fax)
HRSC@state.gov (E-mail)

Mailing address:

United States Department of State
HR Service Center ■ Annuitant Services
1269 Holland Street
Charleston, SC 29405



Continuation of Life Insurance Coverage
As an Annuitant or Compensation
Federal Employees' Group Life Insurance (FEGLI) Program

Important:
Read instructions on pages 1 - 4
before completing this form.

Identifying Information

1. Employee's name (last, first, middle)	2. Date of birth (mm/dd/yyyy)	3. Social Security number
4. Employing department/agency	5. Work location (city, state, ZIP code)	6. Compensation claim number (if applicable)

Basic Life Insurance

7. Do you want to have Basic Life insurance in retirement/compensation if you are eligible?

☐ Yes (If yes, complete item 8.) ☐ No ☐ I received a full Living Benefit. (skip to Item 9)

8. What level of Basic do you want in retirement/compensation? Check only one box. If you received a partial Living Benefit, you must check No Reduction.

☐ 75% Reduction ☐ 50% Reduction ☐ No Reduction

Signature (Do not print.) Only the insured may sign. Signatures by guardians, conservators, or through a power of attorney are not acceptable. Date (mm/dd/yyyy)

Option A — Standard Optional Insurance

9. Do you want to have Option A in retirement/compensation if you are eligible? To continue Option A, you must also continue Basic.

☐ Yes ☐ No ☐ I don't have Option A.

Signature (Do not print.) Only the insured may sign. Signatures by guardians, conservators, or through a power of attorney are not acceptable. Date (mm/dd/yyyy)

Option B — Additional Optional Insurance

10. Do you want to have Option B in retirement/compensation if you are eligible? To continue Option B, you must also continue Basic.

☐ Yes (If yes, complete items 11-12.) ☐ No ☐ I don't have Option B.

11. How many multiples of Option B do you want to have in retirement/compensation? You can have up to the number of multiples you are eligible to have. See the instructions.

_____ (number of multiples)

12. What coverage level do you want for Option B? Check only one box.

☐ Full Reduction or ☐ No Reduction

Signature (Do not print.) Only the insured may sign. Signatures by guardians, conservators, or through a power of attorney are not acceptable. Date (mm/dd/yyyy)

Option C — Family Optional Insurance

13. Do you want to have Option C in retirement/compensation if you are eligible? To continue Option C, you must also continue Basic.

☐ Yes (If yes, complete items 14-15.) ☐ No ☐ I don't have Option C.

14. How many multiples of Option C do you want to have in retirement/compensation? You can have up to the number of multiples you are eligible to have. See the instructions.

_____ (number of multiples)

15. What coverage level do you want for Option C? Check only one box.

☐ Full Reduction or ☐ No Reduction

Signature (Do not print.) Only the insured may sign. Signatures by guardians, conservators, or through a power of attorney are not acceptable. Date (mm/dd/yyyy)

6. SENIOR LIVING FOUNDATION UPDATE

by Paula S. Jakub, RHU

Vice President, American Foreign Service Protective Association

“The mission of the Senior Living Foundation (SLF) is to provide support to retired Foreign Service personnel and their spouses, (including retired or divorced spouses) and, on the basis of need, to defray the cost of home health care services, senior housing, long term care insurance or other senior services that contribute to the health and security of the retired FS family.”

Over the past several years we have reported on the continued work of the Senior Living Foundation. We made our first grant in 1994. We paid \$200 for an in-home assessment and \$225 for legal services. As support for the Foundation grew, so did our ability to provide assistance to this special group of people. Today, not only can the Senior Living Foundation help these people, we can really make a difference in their quality of life. Today, the Foundation can provide intervention and financial assistance that 10 years ago was only a dream. In 2008, we handled 74 clients, providing financial assistance to 38. Last year our grant activity amounted to almost \$250,000 in Program Expenditures. Today, dozens of people rely on both our financial assistance and emotional support each month.

We are extremely grateful for the support of so many of you – the grassroots of the Foreign Service. We also have been fortunate to receive bequests from those who truly believed in our mission and wanted it to continue beyond their legacy; L. Dean Brown, Irene Getz, Dorothy Hudson - to name a few. It is the support from these friends that allows us to reach out to many colleagues who turn to us for help. A social worker with extensive Foreign Service experience reviews each case to determine the best resources available for the individual. The intervention ranges from helping a retired FSO discuss care options for his terminally ill wife, to arranging for an assessment by a Geriatric Case Manager (GCM), to actually coordinating Home Health Care (HHC) for a couple when the wife needs surgery and is unable to care for her ailing husband while recuperating.

Monthly grants include:

- Home Health Care expenses
- Medication
- Transportation to medical appointments;
- Deductibles and copayments on health coverage
- Medicare prescription drug plan premiums
- Personal response systems

One-time grants include:

- Purchases of durable medical equipment, such as grab bars, walkers, chairlifts;
- Heating assistance; and
- Medically necessary dental work.

Even if a person doesn't need financial assistance, the Foundation still is making a difference. Non-financial assistance includes:

- Finding local resources for transportation;
- Obtaining Geriatric Case Manager assessments; and
- Helping the family make long-term planning decisions.

The Foundation has become a vital part of the Foreign Service family. The need for our services will continue to grow as more people experience the hard realities of growing older. We may be able to help you or someone you know with information, resource or financial assistance. For more information, please contact:

Senior Living Foundation of the American Foreign Service

1716 N Street, NW ■ Washington, DC 2003

Phone: (202) 887-8170 Fax: (202) 872-9320

E-Mail: info@SLFoundation.org

Web Site: www.SLFoundation.org

Pull out this page and keep with your emergency numbers.

7. CONTACT INFORMATION

Introducing the HR Service Center: Annuitants' New Resource for Retirement Questions

As part of the Department's initiative to transform its management operations, the Bureau of Human Resources now provides Annuitant Services at the HR Service Center in Charleston, South Carolina. This is an important resource for all Foreign Service annuitants and will change the way you experience HR; ultimately improving, streamlining, and automating the delivery of human resources services. A skilled Customer Service Representative is standing by to assist you and will create a ticket to track your inquiry through to resolution!

Annuitants are encouraged to make the HR Service Center their first point of contact regarding retirement inquiries.

Please see the enclosed ADDENDUM "*Using the HR Service Center: A Guide for Foreign Service Annuitants*" for essential information about accessing this resource.

Contact information:

Hours: 0800 – 1700 EST
Monday to Friday
(except Federal holidays)

Phone: 1-866-300-7419 (Toll Free)
1-843-308-5539 (Outside the U.S.)

Fax: 1-843-202-3807

E-mail: HRSC@state.gov

Mailing Address:
U.S. Department of State
HR Service Center
Annuitant Services
1269 Holland Street
Charleston, SC 29405

We welcome your feedback to the Project Management Team at
HRSharedServices@state.gov!

Contact Information for Other Offices and Agencies

U. S. DEPARTMENT OF STATE

Office of Retirement (HR/RET)

Tel: (202) 261-8960

Fax: (202) 261-8988

Toll-free: (866) 224-9053

Website: www.RNet.state.gov

Mailing address:

2401 E Street, NW Room H-620

Washington, D.C. 20522

Retirement Accounts Division (RM/GFS/C/APP/RAD)

- *Delay or non-receipt of annuity check*
- *Address, bank, withholding changes*
- *SF-1099R – Tax report FS Annuity*
- *Cost of Living Adjustments*
- *Monitoring WAE salary/annuity cap*
- *Amount of retirement contributions*
- *Refund of excess-35 year contributions*

Hours: 0800-1700 EST, Monday – Friday

Tel: (843) 308-5552

Toll free tel: (800) 521-2553

Fax: (866) 817-5023

Website: www.tsp.gov

Mailing address:

Office of Compensation & Pension

U.S. Department of State

1969 Dyess Avenue, Building 646B

P.O. Box 150008

Charleston, SC 29415-5008

Payroll Office (RM/GFS/C/APPO)

- *Issuance of final salary/annual leave*
- *Lump-sum payment*
- *Notification of retirement to TSP*
- *W-2, Annual Tax Report/Salary*

Consolidated American Payroll Division

Tel: (843) 308-5626

Fax: (843) 308-5425

Toll free: 1-877-865-0760

E-mail: payhelp@state.gov

Travel & Transportation

- *Shipment of Household effects*

Tel. (202)647-4140 or 4141

Fax. (202)647-4956

Toll free 1-800-424-2947

e-mail TransportationQuery@state.gov

OTHER AGENCIES

Social Security Administration

Contact your local Social Security office or SSA

Tel: (800) 772-1213

Website: www.ssa.gov

Office Of Personnel Management (OPM)

- *Civil Service retirement benefits*
- *Health insurance (FEHB),*
- *Dental and vision (FEDVIP)*
- *Life insurance (FEGLI)*

Tel: (202)606-1800

TTY: (202)606-2532

Website: www.opm.gov

E-mail: retire@opm.gov

Mailing address:

1900 E Street, NW

Washington, DC 20415

Thrift Savings Plan Office (TSP)

Toll free: (877) 968-3778

International: (404) 233-4400

Fax: (866) 817-5023

Website: www.tsp.gov

Mailing address:

National Finance Center

P.O. Box 385021

Birmingham, AL 35238

CORRESPONDENCE ABOUT STATE/AID PUBLICATIONS:

The Office of Retirement does not have responsibility for maintaining addresses for various publications you may wish to receive. If you experience delivery problems, or wish to change the mailing address, please contact them directly.

Department of State Magazine
HR/ER/SMG, Room H-236, SA-1
Department of State
2401 E Street, NW
Washington, DC 20522

AID Front Lines Agenda & Similar Publications
Office of Public Affairs, Room 6.10-020
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523

